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SUMMARY RECORD OF THE 33rd MEETING

Held at Headquarters, New York,
on Monday, 17 June 1991, at 3 p.m.

President: Mr. PIRIZ-BALLON (Uruguay)

later: Mr. JASINSKI (Poland)

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The meeting was called to order at 3.10 p.m.

SPECIAL PROGRAMMES OF ASSISTANCE

PROGRAMME OF ASSISTANCE TO THE PALESTINIAN PEOPLE (DP/1991/65)

1. Mr. ROTHERMEL (Director, Division for Global and Interregional Programmes and Director, Programme of Assistance to the Palestinian People), introducing the report of the Administrator on assistance to the Palestinian people (DP/1991/65), said that programme delivery in 1990 had jumped to a record level of $11.7 million, more than three times the level for 1989, making it possible to commence or complete several new activities in the West Bank and the Gaza Strip. On the other hand, the overall economic and social situation of the Palestinians had seriously deteriorated as a result of the Gulf war.

2. At the request of the Secretary-General, UNDP had led an inter-agency mission to the occupied Palestinian territories in May in order to identify activities likely to decrease unemployment among Palestinians - which affected at least 30 per cent of the workforce - and to increase economic productivity, which had been severely affected by a reduction in remittances from expatriate workers in the Gulf and a loss of jobs in Israel. On the basis of the mission's report, which noted that the economic crisis affecting the Palestinians could have far-ranging implications for the region as a whole, the Secretary-General would be issuing an appeal for funds to support programmes covering education, health, industry, rural water and electricity, urban water, small-scale credit and rural employment. The activities to be initiated over the next 12 months would cost $86.5 million, an amount far lower than the annual remittances received in the occupied territories before the Gulf crisis. Most of the activities would be carried out by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and by UNDP. The latter was also involved, through the programme of assistance to the Palestinian people, in the gathering and analysis of data to improve the database required for the execution of development activities.

3. In conclusion, he emphasized the essential role played by UNDP in the region's economic development and recalled that the programme enjoyed the support of Palestinians and the Palestine Liberation Organization.

4. Mr. ABU-KOASH (Office of the Permanent Observer for Palestine to the United Nations) said that most of the funds made available by UNDP had been allocated to activities relating to health services, which, under international law, should be the responsibility of the occupying Power. It was the policy of that Power to divert into other sectors funds which should in principle be devoted to projects for employment and revenue-producing activities. While it was obviously difficult for UNDP to carry out its activities in occupied territory, it should nevertheless exert more pressure on the occupation authorities with a view to ensuring the implementation of development projects, and particularly of those relating to the fishing and

(Mr. Abu-Koash)

commercial port and the construction of a cement works in the Gaza Strip, as well as the citrus-processing plant funded by the Italian Government.

5. UNDP had played an important role not only in itself providing assistance but also in facilitating the provision of aid by other United Nations agencies. With the $15 million allocated to the programme for the fifth programming cycle, UNDP was the second most important source of funds after UNRWA. However, direct contributions had been kept to the very minimum, despite the worsening of the situation.

6. While Israel had enjoyed unprecedented financial support during the Gulf crisis, the Palestinians had not even been authorized to seek compensation. In addition, a number of Arab countries which had displayed lavish generosity in the war effort had provided no support to the intifadah, and certain Western countries had upbraided the Palestinian people for statements made during the war when Israel kept up its acts of repression.

7. Unlike other bodies, UNDP was at the forefront of human development. One could not therefore help regretting that there had been no mention of occupied Palestine in the Human Development Report, despite the devastating effect of the occupation authorities' practices on economic and political freedom, development and health. It was to be hoped that, when the next such report was compiled, account would be taken, when applying the Human Development Index to Israel, of the fact that that country was an occupying Power.

8. UNDP had a crucial role to play in the execution of development projects because there was no national entity in occupied Palestine which could plan and mobilize resources. Certain promises had been made, and it was to be hoped that they would be fulfilled, but experience showed that Israel often approved projects in principle only to prevent their execution at a later stage. However, it could not be overemphasized that assistance could in no circumstances serve as a substitute for a just settlement of the question of Palestine, based on the international legitimacy which Israel continued to reject.

9. Mr. LIU Lianke (China) reiterated his country's support for the Palestinian cause and expressed the hope that UNDP would, in planning its assistance activities, hold consultations with all the parties concerned.

10. Mr. ROTHERMEL (Director, Division for Global and Interregional Programmes and Director, Programme of Assistance to the Palestinian People) took note of the comments made by delegations and noted that work on construction of the citrus-processing plant in the Gaza Strip had already started.

11. The PRESIDENT declared that the Council had concluded its general discussion of the item under consideration and proposed that the Drafting Group should draw up the corresponding draft decision.

12. It was so decided.

UNDP GULF TASK FORCE (DP/1991/60)

13. Mr. NOUR (Assistant Administrator and Regional Director, Regional Bureau for Arab States and Europe), introducing the report of the Administrator entitled "Impact of the Gulf crisis on developing countries: needs and initiatives" (DP/1991/60), said that the report reviewed actions undertaken since the organizational meeting of the Governing Council in February 1991, when the Administrator pledged $4 million on behalf of UNDP from Special Programme Resources to help developing countries face the impact of the crisis.

14. The impact of the crisis had been truly global. To date, 21 countries in different regions had formally applied for United Nations assistance under Article 50 of the Charter, citing losses of over $30 billion. The Gulf Task Force, whose activities were coordinated by the Regional Bureau for Arab States and Europe, included representatives of all the UNDP regional bureaux and concerned units and had at its disposal information provided by the Governments and non-governmental organizations active in the region. At the meeting in May of the Standing Committee on Programme Matters, certain delegations had requested additional information from UNDP on its activity in the field, particularly in Iran, Jordan, Syria and Turkey, and that information had been provided. UNDP had already acted swiftly in response to the crisis within the limits of available IPF resources. Following the Administrator's decision to allocate funds from Special Programme Resources, the Task Force had prepared a special programme for the countries most affected and coordinated its activities with those of other donors in order to maximize their impact. Over 60 per cent of the funds had already been allocated, and the rest would be committed in the very near future. Five areas of priority need had been identified: (i) immediate humanitarian measures; (ii) rehabilitation of institutions and infrastructure; (iii) assistance in macrolevel management; (iv) human development needs created by the large number of returnees; and (v) environment.

15. With regard to immediate humanitarian needs, UNDP had contributed to the United Nations humanitarian programme, and, through its resident representatives, had provided a coordination and liaison channel with the Governments of the region in addition to offering considerable administrative support. At the pledging conference held on 12 June at Geneva, the Secretary-General had appealed for $448.9 million to finance humanitarian relief operations and to cover the costs of the United Nations contingent in Iraq. To date, only 45 per cent of the resources needed to implement the programme had been forthcoming. UNDP, for its part, had provided $250,000 in seed money from the Special Programme for the Countries Most Affected by the Gulf Crisis, which had resulted in the mobilization of a further $1 million from the Japanese Government. UNDP was also financing the dispatch of some 50 United Nations Volunteers to the field to work with the Office of the United Nations High Commissioner for Refugees (UNHCR), the World Food Programme (WFP), the United Nations Children's Fund (UNICEF), the World Health Organization (WHO), the International Organization for Migration (IOM) and the office of the Coordinator for United Nations humanitarian assistance at

Baghdad. The Special Programme was covering the costs of Prince Aga Khan's special representative in Baghdad, and the Geneva Office of UNDP was also contributing to the humanitarian operations.

16. With respect to institutions and infrastructure, the countries most directly affected were evidently Kuwait and Iraq, although the specific needs of other countries, such as Lebanon, Egypt and Morocco, also needed to be taken into account. In the case of Kuwait, an allocation of $100,000 for programme formulation had been made under the Special Programme. In Iraq, where the human suffering was immense, the IPF programme would have to be reformulated, once sanctions had been lifted, to take account of the new needs. So far an allocation of $100,000 for immediate humanitarian assistance had been made under the Special Programme.

17. Turning to macrolevel management, he said that a large number of developing countries in the Arab region, Asia, Central and Eastern Europe, Africa and Latin America had lost billions of dollars in remittances, contracts, trade, tourism and financial aid. The Special Programme had enabled UNDP to move quickly in conducting impact assessment studies in various countries, ranging from Albania to Viet Nam and including the occupied Palestinian territories. In some cases seed money had been provided for the formulation of programmes to assist countries in the sphere of macroeconomic management, and to rechart development strategies, arrange debt rescheduling and seek balance-of-payments support.

18. In the the area of human development, seed money had been provided for the preparation of comprehensive programmes in response to the needs generated by the repatriation of close to 3 million workers. The Special Programme was also funding a project relating to regional migration in Egypt, Jordan, the Sudan, Yemen and Lebanon which would culminate in an Arab-Asian workshop. Special Programme funds were also being used for national programmes to identify the skills of repatriated workers, provide training where necessary and develop action plans. That was of particular relevance to Yemen, the country most affected by that aspect of the crisis.

19. The impact of the war on the environment could not be overestimated. UNDP was cooperating with the United Nations Environment Programme (UNEP) and the International Maritime Organization (IMO) in assessing damage and coordinating activities to combat pollution, with a preliminary budget of $3,157,000. The Gulf Oil Pollution Disaster Fund, established by IMO, now had $6 million in resources. UNDP had used Special Programme funds to help Bahrain monitor the impact of air pollution on its population and was helping to fund a seminar to be held in August to study the impact in the region of the fires in the Kuwaiti oil fields. Lastly, Special Programme funds would be allocated to field a mission to the region to formulate a programme, in cooperation with UNEP and IMO, to meet long-term technical assistance needs.

(Mr. Nour)

20. UNDP was aware that its activities must not be confined to immediate humanitarian assistance but must also be concerned with long-term sustainable development. To that end the Programme had identified a number of areas in which its assistance was needed. Thus, in the field of macrolevel management, UNDP should update socio-economic baseline data on the basis of recent developments in addition to supporting energy management programmes, the expansion and diversification of exports, the management of aid flows, and resource mobilization. In the area of human development, an attempt must be made to address structural imbalances in the labour markets of countries affected by the war. Direct assistance must be linked not only to human development, but, at the macroeconomic level, to adjustment plans and the structure of public expenditure. In the area of employment, more social development funds should be set up along the lines of that established for Egypt, for which some $660 million in funding had been provided by the World Bank and bilateral donors, with UNDP providing technical assistance. Lastly, with regard to the environment, UNDP believed it essential to provide technical assistance in respect of information collection and dissemination as well as support for environmental impact assessment programmes.

21. It was clear that the funds available under the fifth programming cycle would not be sufficient and that further sources of funding must be sought in order to provide, initially, an additional $70 million. UNDP intended to formulate a programme for action at the regional and country levels and to discuss its components with donors from within and outside the region, in an effort to achieve economies of scale. The broad outline had already been determined and would be made available to interested delegations. UNDP hoped to convene a meeting of affected and donor countries in the autumn of 1991 in an effort to move beyond the emergency situation and work towards peace and development.

22. Mr. AL-FAIHANI (Observer for Bahrain) thanked the Director of the Regional Bureau for Arab States and Europe for the work of his team and informed the Council of his Government's endorsement of the programme established at the request of the countries of the region. Four million dollars would be allocated from Special Programme Resources at the end of the fourth programming cycle, in an indication of UNDP's quick response to the needs of the countries of the region. The amount was modest, but his Government considered it to be a useful contribution in coping with the aftermath of the Gulf crisis. With regard to the fifth programming cycle, assistance must be provided to the Gulf countries, particularly Kuwait, which had suffered the full impact of the crisis. The first priority must be to combat atmospheric pollution in the Gulf region.

23. Mr. SCHATZER (International Organization for Migration) said that more than 5 million people had been displaced as a result of the hostilities in the Persian Gulf region. Many of them were foreign workers attracted to the area by job opportunities. While most had escaped to their countries without suffering physical harm, the economic and social consequences had been

(Mr. Schatzer)

devastating. Their countries of origin were poor, highly reliant on remittances from migrant workers, and had suddenly found themselves deprived of those funds. The export earnings of many countries had fallen sharply. Most migrant workers had left Kuwait and Iraq on their own initiative or had been assisted by their Governments. Yet more than 200,000 workers, particularly from Asian countries, had received assistance from the international community through the International Organization for Migration, which had repatriated them by road, air and sea through Jordan, and, with the agreement of the Security Council sanctions committee, directly from Iraq.

24. IOM had arranged for the return transportation of more than 260,000 Kurds to their home areas and was now turning its attention towards the hundreds of thousands who had fled to Iran.

25. As a consequence of requests by member Governments, IOM had recently undertaken an assessment mission to countries in Asia with large numbers of returnees. Recent events had revealed that the protective mechanisms and infrastructures of a number of sending countries were inadequate to deal with a problem of such vast dimensions. Collection of basic information on migrant workers and their movements, language training and pre-departure cultural education were among the areas in need of international assistance. IOM stood ready to coordinate the work in those areas with UNDP's unique network of field offices and with other concerned international organizations.

26. More and more people were on the move throughout the world because of underdevelopment, population-versus-resources imbalances, poverty, environmental constraints, civil strife or war. Their fate was increasingly a matter of concern to the international community. The International Organization for Migration stood ready to continue its cooperation with the United Nations system on the orderly return of refugees and displaced persons to their own countries.

27. Mr. MISSARY (Observer for Yemen) thanked the Director of the Regional Bureau for Arab States and Europe and his staff for their tireless efforts and their very important contributions. The situation in the Gulf region was very complex: the repercussions of the crisis were still being felt but differed widely from one country to the next. Yemen had been very much affected by the crisis, which had arisen at the very moment when the country was celebrating its reunification, but looked to the future with pragmatism and welcomed the reaffirmation of the principle of joint responsibility of countries of the region and of the entire world in the aftermath of the crisis. Yemen had, as everyone knew, implemented all Security Council resolutions, including resolution 661 (1990), despite the dire consequences to itself. Yemen was a least developed country, and the resources it had available for development consisted mainly of remittances from migrant workers (although such remittances had dropped to only 20 per cent of their pre-crisis level); similarly, Yemeni exports - and donations to Yemen - had practically dried up. Yemen had been hard hit by the arrival of more than a million returnees,

(Mr. Missary, Observer, Yemen)

which had put the Government in a very difficult position. Losses were very heavy: more than $3 billion. To make matters worse, the return of migrant workers had caused the unemployment rate to triple, while the returnees were sorely in need of training and medical care. The Government was trying to meet those needs, but the situation was deteriorating and the social fabric could not withstand such an influx. With respect to the environment, Yemen had the same problems as other countries in the region, and wished to see implemented a comprehensive plan for protection from the war's environmental damage.

28. Yemen had developed in collaboration with IBRD a $245 million plan whose first segment would cost $60 million. It had received a $33 million loan from the World Bank and hoped to supplement that amount with aid from other multilateral and bilateral donors. The Sana'a office had submitted a proposal for UNDP to contribute $668,000 to the implementation of the plan. He hoped that UNDP would immediately vote funds for Yemen so that it could deal with its difficulties. Yemen approved of the programme drawn up for it and the other Gulf States by the Regional Bureau for Arab States and Europe for the next programming cycle.

29. Ms. HASSAN (Observer for Egypt) said that her Government thanked UNDP and particularly the Regional Bureau for Arab States and Europe and its Gulf Task Force for their important work. The role played by UNDP arose logically from its neutrality and universality, which allowed it to deal with the effects of international crises. The work of the UNDP Task Force was part of a long-term development strategy and although its mandate did not include the political aspects of the crisis, it still had a solid historical basis resulting from the international community's reaction to the crisis. With respect to immediate humanitarian needs, her delegation welcomed the Programme's activities and the good results of the donors' conference held in Geneva. There was a disparity between what the Administrator's report (DP/1991/60) said was the number of Egyptian returnees (500,000) and the figure Egypt had arrived at (more than a million); such a disparity was a sign of the seriousness of the crisis and showed how important it was to make a continuous assessment of its aftermath, which was well within the competence of UNDP. With respect to the long-term needs arising from the crisis, at the level of infrastructure, macroeconomic policy and environment, which would have repercussions for Egypt's overall development, her delegation supported the proposals put forward by UNDP officials. With regard to macrolevel management, UNDP's relative advantages would allow it to play an essential role. Her Government intended to cooperate with UNDP in making the necessary changes to the proposed programme, but on the whole it was well designed and should play a major role in the international cooperative effort being carried out in the region to remedy the consequences of the crisis and in the assessment and follow-up of those consequences for the region, which were anything but simple.

30. Mr. ESPADA-PLATET (United States of America) expressed his Government's deep admiration for the action undertaken by the United Nations system, including UNDP, in response to the Gulf crisis. The humanitarian relief effort was continuing under difficult circumstances, particularly as the United Nations system, including UNDP, had been called upon to respond to other international tragedies and disasters in recent months. The United States had just pledged an additional $61.2 million to the United Nations refugee assistance programme. His Government fully supported UNDP's efforts to remedy the consequences, at the humanitarian level, of Iraq's illegal invasion and occupation of Kuwait and its effects on development. The key to the success of UNDP operations would be the continuance of international aid and the strengthening of cooperation with other United Nations agencies performing humanitarian functions, while avoiding duplication and ensuring the best possible coordination. He urged UNDP to consult with other international humanitarian organizations, and particularly ICRC.

31. Mr. UMER (Pakistan) thanked the Director of the Regional Bureau for Arab States and Europe for UNDP's efforts and said that his country considered the special assistance programme highly important. It was entirely within UNDP's mandate as a development agency providing technical assistance, since it addressed not just a humanitarian problem but a development problem such as many different countries, including Pakistan, were faced with. UNDP had taken immediate measures to carry out its mandate, and must be congratulated on them. The Programme should continue after 1991, for the countries affected by the crisis needed not only short-term relief, but also long-term development assistance. He wondered whether other sources of funding were available and what precisely were the criteria for allotment of funds. He emphasized that all donors' meetings, and particularly that which would be held in Geneva in the autumn of 1991, would have to gain the full participation of the representatives of countries affected by the crisis, and that such countries should also assist in organizing those meetings.

32. Mr. YENEL (Observer for Turkey) said that the Administrator's report on the impact of the Gulf crisis on developing countries (DP/1991/60), despite its conciseness, presented a very complete analysis of the consequences of the crisis. He welcomed the rapidity with which the Administrator had established the Gulf Task Force, as well as the effectiveness of the response of United Nations bodies and of UNDP, which had coordinated the action undertaken immediately after the cease-fire to respond to the humanitarian needs of populations living in the Iraq/Turkey and Iraq/Iran border areas.

33. The Gulf crisis continued to take a heavy toll on developing countries. Exports had decreased, tourism had stagnated, unemployment persisted and the environment had suffered severely. The soot and smog caused by burning oil well fires in Kuwait constituted a serious ecological problem even in Turkey, where agriculture in the southern and south-eastern parts of the country was affected. Current studies should contribute, inter alia, through data gathered in other parts of the Gulf region, to the constitution of a database on the issue, which would form the basis of the necessary in-depth assessment

(Mr. Yenel, Observer, Turkey)

of the impact on the environment. With respect to the phenomenon's effects on tourism, a project of assistance to the tourist industry in less developed areas of Turkey had been launched in collaboration with UNDP.

34. Table 1 of the report under consideration did not paint an entirely accurate picture of the total impact of the Gulf crisis on Turkey. However, he understood the difficulties which the Administrator had faced in trying to provide exact figures. He hoped that a similar report would be prepared in 1992 to refine the assessment of the impact of the crisis; the report could simply be an update of the report under consideration.

35. Finally, with respect to the report prepared by Mr. Nazem Abdalla of the Economic and Social Commission for Asia and the Pacific as a background paper, he was surprised that the situation in Turkey had received very superficial treatment, consisting of only seven lines on page 31.

36. Mr. Jasinski (Poland), Vice-President, took the Chair.

37. Mr. KABIR (Observer for Bangladesh) said that the Gulf crisis had had serious consequences for the economic and social development activities of developing countries, particularly the least developed countries. The rapidity with which those countries had foundered in the crisis and their well-known vulnerability had laid them open to devastation of such magnitude that it would take them years to recover from the effects.

38. Bangladesh was one of those countries. It had lost export revenue and remittances from its workers abroad. In addition, it must finance the repatriation and reintegration of more than 90,000 workers. Its total economic loss exceeded $1.5 billion. The seed money allocated under the Special Programme of Assistance to Countries Most Affected by the Gulf Crisis had resulted in the generation of supplementary financing. However, those funds must serve to respond not only to immediate needs, but also to long-term needs.

39. Mr. TWITE (United Kingdom) welcomed the rapidity with which UNDP had responded to the Gulf crisis, not only in the Gulf region itself, but also in countries affected by the threefold problem of displaced persons, refugees and returnees. However, his delegation felt that there should be no plans to expand the scope of the operation. Many countries could claim to have been affected by the Gulf crisis to one degree or another, and the action undertaken should not be weakened by an excessive scattering of efforts. A limit must be established.

40. The proposal for an integrated, five-year initiative for the reintegration of returnees and for sustainable human development was interesting. However, he wondered whether the components of that initiative, namely a five-year operation with several funds per country, each of whose resources could go up to $300 million, were truly realistic. UNDP must specify which partners it planned to involve in that initiative.

(Mr. Twite, United Kingdom)

41. With regard to the idea of holding meetings with donor countries put forth in the conclusion of the report, he wished to know whether such meetings would be at the country, regional or global level.

42. Undoubtedly, UNDP had not had time to prepare a complete report. However, it must be recognized that the report raised more questions than it answered and did not constitute an adequate basis to attract pledges of contributions that would match the ambitions of the programme envisaged.

43. With respect to the environment, his delegation wished that UNDP had provided more details on what it had done to support the Inter-Agency Action Plan and the Gulf Oil Pollution Disaster Fund.

44. The Gulf crisis had demonstrated the need for coordination of emergency aid by the United Nations, an issue which the Economic and Social Council would debate in the near future. It was to be hoped that, in the context of the response to the Gulf crisis, nothing would be done to deplete the substance of debates to be held in other forums, particularly the United Nations Conference on Environment and Development.

45. Finally, he noted that to date, Iraq had been given only humanitarian aid, to which he was in no way opposed. However, in the area of reconstruction assistance, he hoped that the sanctions imposed by the United Nations would be fully implemented and that UNDP would take the necessary precautions in approaching the issue of that type of assistance.

46. Mr. KALPAGE (Sri Lanka) welcomed the detailed information given by the Assistant Administrator of UNDP on the way in which UNDP had responded to the appeal for help launched by the countries affected by the Gulf crisis. In the case of Sri Lanka, the crisis had aggravated the country's various economic problems. More than 100,000 expatriate workers had returned to Sri Lanka, thus compounding the unemployment problem. The country had lost some $90 million in funds which those workers had previously remitted from Iraq and Kuwait. Among Sri Lanka's sources of foreign exchange, tea ranked second, and one eighth of its tea exports had previously gone to those two countries. The price of tea on the international market had dropped. The situation concerning Sri Lanka's balance of payments had deteriorated considerably.

47. Sri Lanka welcomed what UNDP had done to assess the impact of the crisis and to facilitate the reintegration of repatriated workers, a problem which must be resolved quickly to avoid still more serious consequences. Sri Lanka therefore hoped that the Security Council would take steps to ensure that countries which applied the sanctions it had imposed would receive more substantial assistance.

48. He thanked the International Organization for Migration for having helped Sri Lanka by providing means of transportation for the repatriation of expatriate workers.

49. Mr. AMAZIANE (Observer for Morocco) said that the report published under the symbol DP/1991/60 gave an indication of the magnitude of the work which remained to be done with respect to macrolevel management and the environment. The report rightly emphasized that it was time to move beyond emergency assistance and to elaborate a medium-term programme to revitalize the economies and development of countries in the Gulf region and of all other countries affected by the crisis.

50. With respect to resources allocated to meet the needs arising from the crisis, he noted that 60 per cent of the $4 million allocated from Special Programme Resources had been committed and that the remainder would be committed by the end of 1991. Since all of the programmable resources of UNDP had been committed, it would be necessary to call upon the international donor community. In addition, the Gulf Task Force was proposing a development revitalization plan for the affected countries which, together with a financing strategy, would be submitted to the international community towards the end of the current year.

51. During its second regular session in Geneva in July 1991, the Economic and Social Council would hold informal consultations on the impact of the Gulf crisis. UNDP should participate in those consultations and should take them into account in elaborating the medium-term programme which was to be ready by the end of the year, and with respect to which he proposed that the Governing Council should consider a draft decision co-sponsored by Algeria, Benin, Bulgaria, Morocco, Pakistan, the Philippines, Romania, Uruguay and Yemen. He planned to communicate the draft decision to the Secretariat, which would have the text translated into the six official languages, and his delegation was prepared to consider it in the Drafting Group.

52. Mr. ABOU-HADID (Observer for the Syrian Arab Republic) commended UNDP for the speed with which it had provided aid in very specific areas to the countries most affected by the Gulf crisis, despite the low amount initially allocated by UNDP to meet those needs. He hoped that UNDP, in cooperation with other United Nations agencies, would be able to supplement that start-up capital by means of other funds, including donations. He wished to thank the countries that had given assistance to the Syrian Arab Republic. He hoped that the UNDP administration would study the report submitted by his country to the Security Council. The extent of the damage suffered by his country and the other two countries that the Council had found to be the most affected by the Gulf crisis should be taken into account.

53. Mr. POPESCU (Romania) said that in his report on the impact of the Gulf crisis (DP/1991/60) the Administrator had reviewed the economic, social and human costs. There was no doubt that the impact of the crisis had been of such magnitude that a special response, and special resources, were required to move beyond emergency responses, and towards development and cooperation.

(Mr. Popescu, Romania)

54. Romania was among the countries whose economies had been seriously weakened by the application of the sanctions imposed by the Security Council in resolution 661 (1990). It had suffered in particular as a result of the crisis because of its heavy reliance on Iraq as a source of foreign exchange to pay for turnkey projects.

55. The information on Romania provided in the background paper, which contained country-by-country impact studies and had been prepared for the Gulf Task Force, was accurate. UNDP was in a good position to meet the needs of the countries affected. Romania supported the initiatives proposed in the report as well as the proposal to formulate programmes in cooperation with the affected countries and partner institutions. It also endorsed the idea of holding a meeting among the countries affected, donor countries and aid organizations during the course of the year.

56. Mr. FONDI (Italy) said that, as his country's delegation had indicated at the Council's organizational session in February, Italy supported the initiatives taken by UNDP to deal with the impact of the Gulf crisis on developing countries and welcomed the fact that those initiatives had been taken so quickly. With regard to such activities, none the less, UNDP must remain within the limits of its mandate and of the broader action taken by the United Nations system to meet the needs arising from the crisis. He would like to know what the secretariat's position was on the relations envisaged between the Gulf Task Force and the humanitarian group whose creation within UNDP had been proposed by the Administrator.

57. Mr. GUERRERO (Philippines) expressed his country's gratitude to UNDP, the donor countries and all members of the international community for the aid they had given to his country.

58. Mr. PRIESTLEY (Senior Adviser on Humanitarian Affairs) responding to questions about immediate humanitarian needs, said that in his introductory statement, the Director of the Regional Bureau for Arab States and Europe had mentioned the meeting chaired by the Secretary-General the previous week at Geneva, at which a new appeal had been made on behalf of the humanitarian action programme in the Gulf. The document distributed to participants at that meeting would be available shortly.

59. At the pledging conference held on 12 June, donors had undertaken to provide approximately $18 million. Furthermore, France, Italy, Switzerland, Spain and the European Community had announced their intention to make additional contributions. But in spite of that generosity, the funding for the humanitarian programme still met only 45 per cent of all needs. Given the current level of financing, only 50 per cent of food needs could be met. Moreover, that calculation took into account only the needs of the most vulnerable groups, not those of the entire Iraqi population. Since Iraq had previously met 70 per cent of its grain requirements through imports, the food situation in that country was clearly extremely serious. The population's

(Mr. Priestley)

rapidly deteriorating health was also a source of great concern. The Secretary-General had therefore decided to send a high-level mission to Iraq as soon as possible to evaluate current needs and report back to him on the situation. UNDP action to cope with the crisis had been closely coordinated with the Executive Delegate of the Secretary-General and United Nations agencies. UNDP was also awaiting with interest any guidelines that might be issued by the Economic and Social Council on the best way for the United Nations agencies to work together.

60. Mr. Piriz-Ballon (Uruguay) resumed the Chair.

61. Mr. NOUR (Assistant Administrator and Regional Director, Regional Bureau for Arab States and Europe), responding to comments made on other activities of the Gulf Task Force, said that he welcomed the support expressed by delegations in their statements on the item under consideration.

62. The representative of the United States had stressed the issue of coordination in his statement. UNDP had acted in cooperation with Governments and the agencies concerned, the Office of the Secretary-General, and resident representatives and coordinators.

63. The representative of Pakistan had asked if any other funding was available in addition to the $4 million allocated by UNDP to meet needs arising from the Gulf crisis. No other funding was available as yet. As to the criteria for allocating available resources, it was sufficient if there was a direct cause-and-effect relationship between the Gulf crisis and the problems confronting the countries seeking assistance. The contribution made by UNDP should act as a catalyst in building national capacities and be compatible with the development programmes of the countries assisted.

64. UNDP assistance would be organized on the basis of impact categories and would not be granted simply upon request. Requests for assistance would be taken into consideration in the order in which they were received by UNDP; nevertheless, in most cases that order corresponded to the degree of gravity of the situation.

65. The comments by the representative of the United Kingdom would be duly considered within the framework of the dialogue between the Gulf Task Force and UNDP, particularly with regard to the importance of not extending the scope of the operation and of providing additional information on related activities. In any event, the only concern at the current stage was to provide just a provisional assessment; the Gulf Task Force and UNDP would welcome suggestions.

66. With regard to the environment, UNDP was acting jointly with the United Nations Environment Programme (UNEP), the World Meteorological Organization (WMO) and other organizations. A mission would be sent during the summer to evaluate, with UNEP and WMO, the relevant technical assistance needs of the Gulf countries.

(Mr. Nour)

67. It was regrettable that Mr. Nazem Abdalla of the Economic and Social Commission for Western Asia (ESCWA), having been pressed for time, had been unable to include more detailed information on the situation in Turkey in the background paper he had prepared. The missing information on the situation in Turkey - as well information on many other countries - would be provided as soon as possible.

68. Miss JANJUA (Pakistan) asked why her country was not included in the updated version of 14 June of the Special Programme for the Countries Most Affected by the Gulf Crisis: allocations by country and area of need. In table 1 in document DP/1991/60, Pakistan was listed as one of the countries where the impact of the Gulf crisis was greater than 1 per cent of GNP.

69. Mr. NOUR (Assistant Administrator and Regional Director, Regional Bureau for Arab States and Europe) said that in the updated version Pakistan was included under the Multinational Programme (regional migrations), together with Bangladesh, India, the Philippines, Sri Lanka and Viet Nam. The Regional Bureau was aware of the difficulties posed by the migrations issue. In future, it would incorporate any other information that Pakistan provided.

70. The PRESIDENT said that the Council had thus completed its general discussion of the item before it. He suggested that the Drafting Group should prepare a draft decision on the subject.

71. It was so decided.

OTHER FUNDS AND PROGRAMMES (continued)

UNITED NATIONS CAPITAL DEVELOMENT FUND (continued) (DP/1991/43)

72. Mr. KABIR (Observer for Bangladesh) said that the United Nations Capital Development Fund, because of its mandate and characteristics, had been of special significance to the least developed countries. It provided capital assistance that complemented those countries' efforts in the areas of investment and economic and social infrastructure, and attempted to strengthen their local implementation capacity as well as popular participation.

73. The Programme of Action for the Least Developed Countries for the 1990s adopted by the Second United Nations Conference on the Least Developed Countries had recognized the Fund's usefulness and invited donor countries to consider a 20-per-cent-annual increase in overall funding until the end of the decade. Bangladesh supported that proposal and hoped that the international community would respond generously. Increasing the Fund's resources would promote the achievement of the fifth programming cycle objectives and would strengthen the impact of country programmes. The Fund should also receive direct financial support from indicative planning figure sources.

(Mr. Kabir, Observer, Bangladesh)

74. Co-financing arrangements with bilateral and multilateral donors should be intensified because of the Fund's multisectoral nature. Moreover, for the sake of cost-effectiveness, efforts should be made to integrate the Fund's activities with similar programme activities sponsored by different organizations of the United Nations system as part of a cost-sharing arrangement. The UNCDF programming exercise should be conducted within the framework of the UNDP programme exercise in order to avoid duplication, overlapping and piecemeal planning.

75. The Fund should be placed under the direct responsibility of the Administrator. Under the new arrangements, it was imperative to enhance the Fund's identity and integrity, so as to enable it to play a role commensurate with the high expectations of recipient countries.

76. Mr. ROHNER (Switzerland) said that his country had supported the Fund for several years because it supplied the poorest countries with the capital assistance needed for modest investments in the economic and social sphere and because its activities were complementary to the technical cooperation activities of UNDP. Switzerland welcomed the improved quality of the Fund's operations and the increased financial support which it received from donors. Those remarkable results were partially due to the relative autonomy which the Fund enjoyed and to the outstanding qualities of its staff.

77. Switzerland endorsed the efforts made to increase the share of productive activities and grass-roots participation. Such projects should receive technical assistance and be subject to systematic evaluations. His delegation regretted that external constraints had delayed the execution of some projects and hoped that the 1991 results would be better.

78. While the level of loan operations was modest, many projects had "revolving fund" elements, which Switzerland supported.

79. The 20-per-cent increase envisaged in the Fund's overall resources appeared to be possible only if the Fund attracted other donors or if the traditional donors substantially increased their contributions. Lastly, with regard to the report (DP/1991/43), Switzerland would have liked it to provide, in particular, fuller information on co-financing arrangements and project completion.

80. Mr. JERLSTROM (Sweden), speaking on behalf of the four Nordic countries - Denmark, Finland, Norway and Sweden - reaffirmed those countries' support for the Fund, as its value had been demonstrated during its 25 years of existence and its services remained essential. The Fund supplied the capital needed for modest investments to benefit low-income groups and the poorest population segments in the developing countries. It remained a valuable complement to the activities carried out by other organizations of the United Nations system.

(Mr. Jerlstrom, Sweden)

81. In order for the Governing Council to rationalize its work, the Nordic countries would prefer biennial or even triennial sessions, which would be conducive to a thorough consideration of the items on the Council's agenda. With regard to the report (DP/1991/43), the Nordic countries would have liked it to be longer and more focused on the problems impeding project execution, which obviously existed, since a large part of the Fund's resources were not utilized. They would also have appreciated more detailed information on evaluation activities. The Nordic countries would be grateful for comments on that subject from the Secretariat.

82. Mr. ESPADA-PLATET (United States of America) said that his Government recognized the effectiveness of UNCDF and its programme activities and supported the proposal for a 20-per-cent annual increase in its resources adopted by the Second United Nations Conference on the Least Developed Countries. Nevertheless, caution should be exercised with regard to that proposal. UNCDF should first consolidate its achievements in order to maintain programme quality and to ensure the greatest possible impact. In that regard, his delegation noted that, according to paragraph 11 of the Administrator's report (DP/1991/43), the average size of projects had increased to $2.5 million in 1990; he would like to know the previous average size of projects in 1989 and the number of projects which had been funded at more than $4 million.

83. The United States delegation also noted, with regard to project evaluations, that while the majority of projects had achieved most of their objectives, weaknesses had also been identified, including a lack of pre-project data and studies, project management shortcomings, unrealistic schedules and inadequate consideration of maintenance costs in order to ensure long-term viability. In view of the Fund's rapid programme growth, it was critical for the results of those evaluations to be fully integrated into the design and the formulation of new projects.

84. The United States delegation welcomed the fact that the Fund's activities reflected the six priority areas specified in Governing Council decision 90/34; in particular, it welcomed the activities linking poverty alleviation and environmental degradation. With regard to small-scale irrigation schemes, attention should be given to ensuring their long-term sustainability at the community level. The United States delegation would also like to know what linkages existed between such small-scale irrigation schemes and larger projects.

85. Employment and income generation for the poorer segments of society should be a key objective of the Fund's projects, as should the stimulation of local initiative. Thus, the United States delegation had been pleased to note that 58 per cent of the assistance provided by UNCDF for new project approvals in 1990 had been allocated to productive activities. The United States would like the Fund's future reports to the Council to include data on changes in project-related employment and income.

(Mr. Espada-Platet, United States)

86. The projects devoted to meeting basic needs should take into account issues of sustainability. While it was appropriate for the Fund to focus its efforts on promoting micro-enterprise activities, the United States delegation would like to know whether the Fund had utilized the experience gained elsewhere and whether it had shared its own experience in that area.

87. With regard to the Fund's loan operations, it was necessary to exercise caution in order to ensure that UNCDF did not move into areas which were more appropriate for other organizations. The United States delegation would like to know what criteria were used in granting loans; it had understood one criterion to be the income-generating potential of the project. It would also like to know exactly how loans were paid back.

88. The United States urged UNCDF, as it developed a role as an advocate for the least developed countries in the United Nations system, to work closely with other organizations which focused on the poor. UNCDF should also exercise caution in its choice of projects funded in countries outside the least-developed category.

The meeting rose at 6.05 p.m.